

**UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF PENNSYLVANIA**

Report on Person Under Supervision

Person Under Supervision: Comprehensive Healthcare
Management Service, LLC

Case Number: 2:21CR00079-6

Name of Sentencing Judicial Officer: The Honorable Robert J Colville
District Judge

Date of Original Sentence: May 20, 2025

Original Offense: Count 2: Falsification of Records to Health Care Matters
Count 3-7: Falsification of Records in a Federal Investigation

Original Sentence: 5 years probation

Type of Supervision: Probation

Date Supervision Commenced: May 20, 2025
Expiration Date: May 19, 2030

SUPERVISION SUMMARY

As the Court is aware, the corporation was found guilty and sentenced to 5 years' probation on May 29, 2025. To this date, no restitution has been paid, and the company had been instructed to pay \$10,000 a month towards restitution.

In addition, based on the felony conviction, the business will be subjected to mandatory exclusion from the Department of Health and Human Services (HHS). This means that they will no longer be able to receive government funded benefits as of September 1, 2025. Due to this exclusion, the company is no longer able to maintain operations and has proposed a transfer of property and operations to Blue Sky Basin LLC. The undersigned had a meeting with the corporation's defense attorney, Colin Callahan, as well as their transactional attorney, Craig Adler. In this meeting it was discussed that the corporation was going to enter bankruptcy at some point soon as they are no longer able to sustain operations and have significant debts with various creditors. To satisfy their debts as responsibly as possible, they are proposing a \$22 million sale of the property as well as transfer of all operations to Blue Sky Basin LLC. The sale and transfer would need to be approved by the Department of Housing and Urban Development (HUD) as there is still a \$40 million secured loan on the property. If approved, all the sale money would go directly to the secure HUD loan. The entire transfer would result in no profit for the corporation. The transfer of the operations would allow the current patients within the 580-bed facility to remain in the same location. Without the transfer, the patients would most likely need to be relocated to another facility. The corporation is attempting to receive approval from various government agencies to include HUD, HHS and the Pennsylvania Department of Health. They are hoping to have the transaction completed within the next 90-120 days as the HHS exclusion begins September 1, 2025, and they will immediately start incurring new debts at this time.

RECOMMENDATION:

After careful review of the proposed sale of property and transfer of operations, the Probation Office has weighed the benefit to the community and the patients inside the facility as well as the corporation's ability to pay its debts. The expectation would then be that the corporation enters bankruptcy, and the Bankruptcy Court divides its remaining assets to the appropriate creditors. The United States Attorney's Office was asked to provide a position on the transfer, and they deferred to the decision of the Probation Office. The Probation Office is requesting a hearing be scheduled for all involved parties to discuss the transfer of property and operations and appropriate action be taken during this hearing.

Respectfully submitted,

by

Clint McElheny
2025.08.14 11:53:07
-04'00'Clint McElheny
U.S. Probation Officer

Approved,

by

David J Danko
2025.08.14
11:49:04 -04'00'David Danko
Supervisory U.S. Probation Officer

A hearing will be scheduled via further order of the Court.

Other **An In Person Status Conference to
address the Petition's Report will be held
Tuesday August 19th, 2025 at 10:00 AM
in Courtroom 8C before Judge Robert J.
Colville.**s/Robert J. Colville

Signature of Judicial Officer

8/14/25

Date